

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Revocation of the)	
Certification to Conduct Gambling Activities of:)	No. CR 2011-01000
)	
Falaniko Sevaio)	
Lynnwood, Washington,)	NOTICE OF ADMINISTRATIVE
)	CHARGES AND OPPORTUNITY FOR
Class III Employee.)	AN ADJUDICATIVE PROCEEDING
)	

I.

The Washington State Gambling Commission issued Falaniko Sevaio certification¹ number 69-24142, authorizing Class III Employee activity, formerly with the Tulalip Tribe.

This certification expires on October 25, 2011, and was issued subject to the certified employee's compliance with state gambling laws and regulations.

II.

David Trujillo, Deputy Director of the Washington State Gambling Commission, charges the certified employee with the following violations of the Tulalip Tribal/State Compact, Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

1) A Commission Special Agent (agent) was assigned Falaniko Sevaio's file to investigate whether he continues to qualify for certification after having his tribal license revoked. In the context of the investigation, the agent received a copy of an Incident Report from the Tulalip Tribal Gaming Agency (TTGA). The report documented the TTGA's investigation into Falaniko Sevaio, Class III Employee and Tribal Lottery System² technician, for theft of TLS tickets.

2) Part of Mr. Sevaio's duties as a TLS Technician included testing and repairing the machines. The TLS technician is allowed to check out TLS tickets from the cashier cage to be used for official testing. The unused portion of the ticket should be returned to the cage when the testing is completed. When a technician requests a ticket for testing, the cashier creates a ticket that has a unique serial number. The serial number can be traced using the machine servers.

3) Based on their investigation, the TTGA determined that Mr. Sevaio, while working as a TLS technician, committed theft of \$5,333.72 by requesting large denominations of TLS tickets to test

¹ Class III Certification is issued to employees working at tribal Casinos. The certification authorizes similar activities as the Card Room Employee (CRE) license issued to individuals working at commercial house-banked card rooms. By submitting a transfer form and fees, holders of a Class III Certification may convert their certification to a CRE license.

² Tribal lottery system or Video Gaming Terminal machines: The TLS/VGT machines are a cashless computerized gaming system that allows players to convert cash into game play credits which are printed on tickets and then inserted into a bill receptor on Player Terminal (PT) machines. The credits are added to the machine and used to play the game.

machines. Instead of returning the unused portions of the tickets to the cage as required, he gave the tickets to his wife to cash the tickets out at a Ticket Exchange (TX) machine. The TX machine allows a guest to insert a TLS ticket, and receive its value in cash back. Mr. and Mrs. Sevaio's activities were evidenced by tracing the serial numbers on the tickets he cashed out. Use of the TX machine is outside the scope of responsibility of a TLS technician.

4) As a result, Mr. Sevaio and his wife obtained over \$5,000 in cash which was not due to them. Mr. Sevaio had shown in the past that he knew it was proper to return his unused tickets.

5) When questioned by the TTGA, Mr. Sevaio admitted to taking test tickets home, and having his wife cash them out at TX machines. Mr. Sevaio also admitted that he has "taken over \$10,000 in tickets home and had his wife cash them." Mr. Sevaio admitted that the ticket thefts took place over a two-and-a-half month period, and that he was "sorry for what (he) did."

6) On May 24, 2011, the Tulalip Gaming Commission suspended Mr. Sevaio's Tribal Gaming license, pending revocation. Mr. Sevaio did not file an appeal, and his tribal license revocation was final on September 1, 2011.

7) Based on his actions, Mr. Sevaio poses a threat to the effective regulation of gaming and enhances the chance of unfair illegal practices, and has failed to establish by clear and convincing evidence the necessary qualifications for certification under RCW 9.46.153(1), and RCW 9.46.190.

8) Therefore, under Section 5(c) of the Tulalip Tribe/State Compact, RCW 9.46.075(1), (2), (8), (10) and (11), and WAC 230-03-085(1) and (8), grounds exist to revoke Falaniko Sevaio's certification.

Section 5(c) of the Tulalip Tribe/State Compact

The State Gaming Agency³ may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075, and rules promulgated there under, or for any reason or reasons it deems to be in the public interest. In addition, these reasons shall include, but shall not be limited to when a holder of certification:

(The following subsections apply.)

(i) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the State Gaming Agency pursuant thereof, or any provision of a Tribal-State Compact;

(ii) Knowingly causes, aids, abets or conspires with another to cause, any person to violate any of the laws of this State or the rules of the State Gaming Agency, or the provisions of a Tribal-State Compact.

(vi) Fails to prove, by clear and convincing evidence, that he is qualified in accordance to the provisions of this section;

³ Washington State Gambling Commission, as referred to in the Tulalip Tribal/State Compact, Section 2 (p).

(vii) Has had a Tribal license revoked or denied in the proceeding twelve months;

(x) Has pursued economic gain in an occupational manner or context which is in violation of the criminal laws of this state if such pursuit creates the probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(xi) Is a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates probable cause to believe that the association is of such a nature as to be inimical to the proper operation of the authorized gambling or related activities in this state. For the purpose of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain utilizing such methods as are deemed criminal violations of the public policy of this state.

RCW 9.46.075 Denial, suspension, or revocation of license, application, or permit

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsections apply.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(2) Knowingly causes, aids, abets, or conspires with another to cause, any person to violate any of the laws of this state or the rules of the commission;

(8) Fails to prove, by clear and convincing evidence, that he, is qualified in accordance with the provisions of this chapter;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal or civil public policy of this state if such pursuit creates probable cause to believe that the participation of such person in gambling or related activities would be inimical to the proper operation of an authorized gambling or related activity in this state. For the purposes of this section, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(11) Is a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel in such a manner which creates probable cause to believe that the association is of such a nature as to be inimical to the policy of this chapter or to the proper operation of the authorized gambling or related activities in this state.

For the purposes of this section, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain utilizing such methods as are deemed criminal violations of the public policy of this state. A career offender cartel shall be defined as any group of persons who operate together as career offenders.

For the purpose of reviewing any application for a license and for considering the denial, suspension or revocation of any license the gambling commission may consider any prior criminal conduct of the applicant or licensee and the provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply to such cases.

WAC 230-03-085 Denying, suspending, or revoking an application, license or permit

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsections apply.)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

(8) Poses a threat to the effective regulation of gambling, or creates or increases the likelihood of unfair or illegal practices, methods, and activities in the conduct of gambling activities, as demonstrated by: (a) Prior activities; or (b) Criminal record; or (c) Reputation; or (d) Habits; or (e) Associations.

RCW 9.46.190 Violations relating to fraud or deceit

Any person or association or organization operating any gambling activity who or which, directly or indirectly, shall in the course of such operation:

(1) Employ any device, scheme, or artifice to defraud; or

(2) Make any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made not misleading, in the light of the circumstances under which said statement is made; or

(3) Engage in any act, practice or course of operation as would operate as a fraud or deceit upon any person;

Shall be guilty of a gross misdemeanor subject to the penalty set forth in RCW 9A.20.021.

RCW 9.46.153(1) Applicants, licensees-Responsibilities, and duties-Waiver of liability-Investigation statement as privileged.

It shall be the affirmative responsibility of each applicant and licensee to establish by clear and convincing evidence the necessary qualifications for licensure of each person required to be qualified under this chapter, as well as the qualifications of the facility in which the licensed activity will be conducted.

III.

Jurisdiction of this proceeding is based on Tulalip Tribal/State Compact, 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

The Class III Employee will have the opportunity to have a hearing on the alleged violations. In order to have a hearing or discuss settlement options, the enclosed request for hearing must be completed and returned to the Gambling Commission within 23 days from the date of the mailing of this notice.

Based on RCW 34.05.440, failure to return a request for hearing will result in the entry of a default order REVOKING your certification.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

David Trujillo, being duly sworn on oath, says: That he has read this Notice of Administrative Charges and Opportunity for An Adjudicative Proceeding, knows the contents of it, believes it to be true, that he is the Deputy Director of the Washington State Gambling Commission, and in that capacity has executed said Notice.

David Trujillo
DAVID TRUJILLO, DEPUTY DIRECTOR

SUBSCRIBED AND SWORN TO before me
this 7 day of October, 2011.

Michelle M. Pardee
NOTARY PUBLIC in and for the State of
Washington residing at Lacey
My Commission expires on 6/16/2013

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I hereby certify that I have this day served a copy of the document upon all parties of record in the proceeding by mailing a copy thereof, properly addressed with postage prepaid, by regular and certified mail to each party to the proceeding or his or her attorney or authorized agent.

Dated at Olympia, Washington this 10 day of October, 2011

Maureen Pratt

Communications and Legal Department
Washington State Gambling Commission

